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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15 (D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarterly Period Ended September 1991

Commission File No. 0-6106

UNITED LEISURE CORPORATION
(Exact Name of Registrant as Specified in its Charter)

Delaware	13-2652243
(State or Other Jurisdiction of Incorporation or Organization)	IRS Employer Identification

8800 Irvine Center Drive, Irvine, California 92718
(Address of Principal Executive Offices)
(Zip Code)

(714) 837-1200
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or Section 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such Reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes ✓ No _____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the least practicable date.

Class	Outstanding at April 22, 1992
Common Stock, par value $.01 per chare	2,665,748

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UNITED LEISURE CORPORATION AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

UNITED LEISURE CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheet
ASSETS

	SEPT.30, 1991	Dec. 31, 1990
CASH	$ 601,789	$ 158,776
RECEIVABLES	93,379	78,058
PREPAID EXPENSES	5,962	4,005
INVESTMENT in limited partnership at cost	175,000	175,000
PROPERTY AND EQUIPMENT, less accumulated depreciation	114,669	239,742
OTHER ASSETS		
Repurchase of income stream, less accumulated deprecation	162,141	184,251
Loan costs, less accumulated deprecation	8,503	19,007
Restricted cash	407,055	407,055
Other	1,965	1,965
	$1,570,463	$1,267,859
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
LIABILITIES		
Notes payable	$ 330,168	330,168
Accounts payable and accrued expenses	980,610	775,483
Due to Lessor (Note 2)	1,154,940	1,135,562
Due to related party	1,826,731	1,742,260
Deferred revenues	30,563	24,330
Deposits and other	125,275	124,275
	4,448,287	4,132,078
STOCKHOLDERS' DEFICIENCY		
Preferred stock	1,600,000	1,600,000
Common stock	26,657	26,657
Capital in excess of par value	6,786,992	6,786,992
Accumulated deficit	(11,291,473)	(11,277,868)
TOTAL STOCKHOLDERS' DEFICIENCY	(2,877,824)	(2,864,219)
	$1,570,463	$1,267,859

See accompanying Notes to Consolidated Financial Statements

UNITED LEISURE CORPORATION AND SUBSIDIARIES
Consolidated Statement of Operations

	For the three months ended September 30, 1991	1990	For the nine months ended September 30, 1991	1990
REVENUES				
Sublease arrangements	$477,388	$421,974	$ 952,364	$ 936,966
Camp admissions	638,988	545,250	696,266	598,833
Other	23,592	22,561	81,930	52,911
Interest income	4,944		4,944	
Total revenues	$1,144,912	$989,785	$1,735,505	$1,588,710
COSTS AND EXPENSES				
Occupancy	611,467	555,361	1,176,615	1,087,967
Selling	16,051	15,327	22,342	20,001
General & administrative	121,564	94,829	262,871	217,195
Interest	50,668	56,887	117,267	138,198
Deprecatioan	45,000	45,000	135,000	135,000
Amortization	10,872	10,872	32,615	32,615
Total costs and exp.	855,622	778,276	1,746,710	1,630,976
NET INCOME (LOSS) BEFORE TAXES	289,290	211,509	(11,205)	(42,266)
PROVISION FOR INCOME TAXES			2,400	3,000
NET INCOME (LOSS)	$ 289,290	$211,509	$(13,605)	$(45,266)
NET INCOME (LOSS) PER SHARE	$ .108	$ .080	$(.005)	$(.017)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	2,665,748	2,665,748	2,665,748	2,665,748

UNITED LEISURE CORPORATION AND SUBSIDIARIES
Consolidated Statement of Cash Flows

	For the nine months ended September 30, 1991	1990
CASH FLOWS FROM OPERATION		
Cash received under sublease arrangements	$1,712,951	$1,525,363
Cash paid to lessor, suppliers and employees	(1,240,752)	(1,296,024)
Interest paid	(16,859)	(9,418)
Income taxes paid	(2,400)	(3,000)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	452,940	216,921
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property & equipment	(9,927)	(7,749)
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	9,927	7,749
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from related party		55,000
Principal payments under short and long term debts		(174,809)
NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES		119,809
NET INCREASE (DECREASE) IN CASH	443,013	89,363
CASH BEGINNING OF PERIOD	158,776	5,205
CASH AT END OF PERIOD	$ 601,789	$ 94,568

See accompanying Notes to Consolidated Financial Statements

UNITED LEISURE CORPORATION AND SUBSIDIARIES
Consolidated Statement of Cash Flows - continued

	For the nine months ended September 30, 1991	1990
RECONCILIATION OF NET LOSS TO NET CASH - USED BY OPERATING ACTIVITIES		
Net income (loss)	$(13,605)	$(45,266)
Adjustment to reconcile net loss to net cash used by operating activities		
Depreciation	135,000	135,000
Amortization of intangibles	32,614	32,616
Increase (decrease) in deferred revenues	7,233	39,648
Decrease (increase) in receivable	(15,321)	(102,995)
Decrease (increase) in prepaid expenses	(1,957)	(25,149)
Decrease (increase in other assets		250
Increase (decrease) in accounts payable and accrued expenses	205,127	191,534
Increase (decrease) due to lessor	19,378	(150,592)
Increase due to related party	84,471	141,875
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 452,940	$ 216,921

See accompanying Notes to Consolidated Financial Statements

UNITED LEISURE CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. The results of interim periods are not necessarily indicative of results to be expected for the year, due to the seasonal nature of the Company's business. In the opinion of the Company, the accompanying consolidated financial statements reflect all adjustments (which are normal recurring adjustments) necessary for a fair presentation of the results for the interim period and the comparable period presented. These condensed financial statements do not purport to be full presentations and do not include all requirements in accordance with generally accepted accounting principles, but include all information required by the instructions to Form 10-Q.

Note 2. Due to Lessor

This matter is in dispute with the landlord, The Irvine Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Revenues for the third quarter increased by approximately $155,000 primarily as a result of higher rentals from the Company's tenants and increased revenues from Camp Frasier Day Camp.

The expenses of the Company increased approximately $80,000 primarily as a result of increased legal fees and additional expenses for Camp Frasier.

The Company continues to devote much of its time and resources to pursuing its lawsuit against its landlord, The Irvine Company. The trial originally set for September 25th, 1991 has been continued. The Company is moving to dismiss the Bankruptcy filing.

PART II - OTHER INFORMATION

No items of Part II are applicable to the Registrant for the period covered by this Quarterly Report on Form 10-Q.

Item 5. Exhibits and Reports of Form 8-k

a) Exhibits

None

b) Reports on Form 8-K

The Company did not file a Current Report on Form 8-K with the Securities and Exchange Commission during the period covered by this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED LEISURE CORPORATION

Date: 4-27-92 By: _____
Harry Shuster, Chairman of the Board and Chief Executive Officer

Date: 4-27-92 By: _____
Renate Graf, Vice President and Controller